

Registration Number 1916098

INVESTMENT DISCOUNTS LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995



INVESTMENT DISCOUNTS LIMITED

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INVESTMENT DISCOUNTS LIMITED

COMPANY INFORMATION

DIRECTORS: E.J. Hudson
R.J. Patterson
Mrs B.L. Selby (Appointed 1 October 1994)

SECRETARY: Mrs B.L. Selby

COMPANY NUMBER: 1916098

REGISTERED OFFICE: Miller House
2, Church Road
Bebington
Wirral
Merseyside
L63 7PH

AUDITORS: Castell & Co.
Fairlawn
679, Chester Road
Great Sutton
South Wirral
L66 2LN

BANKERS: Midland Bank plc
58, Bromborough Village Road
Bromborough
Wirral
Merseyside
L62 7ET

INVESTMENT DISCOUNTS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

The Directors present their report and the Financial Statements for the year ended 30 September 1995.

Principal Activity

The Company's principal activity remained that of insurance consultants.

Directors and their Interests

The Directors who served during the year and their interests in the Company are as stated below:

	Class of shares	Number of shares	
		1995	1994
E.J. Hudson	Ordinary shares	400	450
R.J. Patterson	Ordinary shares	150	150
Mrs B.L. Selby (Appointed 1.10.94)	Ordinary shares	50	-

Directors' Responsibilities

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements based on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

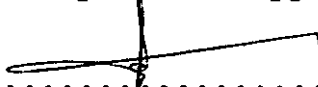
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Castell & Co. be reappointed as auditors of the Company will be put to the Annual General Meeting.

In the preparation of this report the Directors have taken advantage of the exemptions applicable to small companies as conferred by Part II of Schedule 8 of the Companies Act 1985.

This report was approved by the Board and signed on its behalf by

.....

 E.J. Hudson
 Director

Date ..20/6/96.....

INVESTMENT DISCOUNTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
INVESTMENTS DISCOUNTS LIMITED

We have audited the Financial Statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we have evaluated the overall adequacy of the presentation of information in the Financial Statements, including the Company's ability to continue trading. As shown in the Financial Statements total liabilities exceeded total assets by £38159. This matter is discussed in note 14. Our opinion is not qualified in this respect.

Opinion

Prior to 1 October 1994 there were inadequate accounting systems in relation to the collection and settlement of insurance renewals and we were unable to obtain our own assurance regarding customer insurance renewal debtors £49885 and insurance renewal creditors £50408 at 30 September 1993 nor for the customer insurance renewal debtors £91705 and insurance renewal creditors £71099 as at 30 September 1994.

Subject to any adjustments that we might have found to be necessary had we been able to satisfy ourselves as to the matters referred to above, in our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Castell & Co.

Castell & Co.
Registered Auditors
Fairlawn
679, Chester Road
Great Sutton
South Wirral
L66 2LN

Date: 21/8/96.....

INVESTMENT DISCOUNTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

		Continuing operations	
	NOTE	1995	1994
		£	£
Turnover	2	212204	230572
Administrative expenses		(268534)	(191418)
		-----	-----
Operating (loss)/profit	3	(56330)	39154
Interest receivable and similar income		15	118
Interest payable and similar charges	4	(2188)	(1996)
		-----	-----
(Loss)/profit on ordinary activities before taxation		(58503)	37276
Tax on profit on ordinary activities	6	7571	(7434)
		-----	-----
Retained profit for the year		(50932)	29842
Retained profit/(loss) brought forward		11773	(18069)
		-----	-----
Retained (loss)/profit carried forward		(39159)	11773
		=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 1995

		1995	1994
		£	£
Total recognised gains and losses relating to the year		(38932)	29842
		-----	-----
Prior year adjustment	15	(12000)	

Total gains and losses recognised since last annual report		(50932)	
		=====	

The notes on pages 5 to 9 form an integral part of these Financial Statements.


INVESTMENT DISCOUNTS LIMITED
BALANCE SHEET
AT 30 SEPTEMBER 1995

	NOTES		
		1995	1994
Fixed Assets		£	£
Tangible assets	7	47930	51769
Current Assets			
Stock		450	300
Debtors	8	85031	96098
Cash at bank and in hand		17311	7105
		<hr/>	<hr/>
		102792	103503
Creditors: Amounts falling due within one year	9	(183843)	(128292)
		<hr/>	<hr/>
Net Current Liabilities		(81051)	(24789)
Total Assets Less Current Liabilities		<hr/>	<hr/>
		(33121)	26980
Creditors: Amounts falling due after more than one year	10	(5038)	(14207)
		<hr/>	<hr/>
Net (Liabilities)/Assets		(38159)	12773
		<hr/> <hr/>	<hr/> <hr/>
Capital and Reserves			
Called up share capital	11	1000	1000
Profit and loss account		(39159)	11773
		<hr/>	<hr/>
Equity Shareholders' Funds	12	(38159)	12773
		<hr/> <hr/>	<hr/> <hr/>

In preparing these Financial Statements:

- (1) the Company has claimed exemptions under Part I of Schedule 8 to the Companies Act 1985
- (2) in the opinion of the Directors the Company is entitled to these exemptions as a small company.

The Financial Statements were approved by the Board and signed on its behalf by

.....

E.J. HUDSON
DIRECTOR

Date 20/6/96.....

The notes on pages 5 to 9 form an integral part of these Financial Statements.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

1. ACCOUNTING POLICIES

1.1 Accounting convention

The Financial Statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the Company.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment and software	- 25% Reducing balance
Fixtures, fittings and equipment	- 10% Reducing balance
Motor vehicles	- 25% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability to taxation is unlikely to materialise.

1.7 Comparative figures

Comparisons for 1994 have been restated in accordance with current year disclosure policies.

2. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the UK.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

3. <u>OPERATING (LOSS)/PROFIT</u>	1995	1994
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	12446	10505
Leasing of equipment	1911	3959
Auditors' remuneration and crediting:	7678	1413
Profit on disposal of fixed assets	-	(324)
	<u> </u>	<u> </u>
4. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	1995	1994
	£	£
Bank interest	1	5
Hire purchase interest	2187	1991
	<u> </u>	<u> </u>
	2188	1996
	<u> </u>	<u> </u>
5. <u>DIRECTORS' EMOLUMENTS</u>	1995	1994
	£	£
Directors' Remuneration	38200	25200
Directors' Benefits	7414	4348
Pension Scheme Contributions	569	-
	<u> </u>	<u> </u>
	46183	29548
	<u> </u>	<u> </u>
6. <u>TAXATION</u>	1995	1994
	£	£
UK corporation tax at 25% (1994 - 25%)	(7018)	9014
Prior year adjustment (see note 15)	(3000)	-
	<u> </u>	<u> </u>
	(10018)	9014
Prior years corporation tax	-	(1580)
	<u> </u>	<u> </u>
	(10018)	7434
Transfer to deferred taxation	2447	-
	<u> </u>	<u> </u>
	(7571)	7434
	<u> </u>	<u> </u>

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

7. TANGIBLE ASSETS

	Motor vehicles	Office equipment	Computers and software	Total
Cost	£	£	£	£
At 1 October 1994	37390	19536	18599	75525
Additions	-	1125	7482	8607
	-----	-----	-----	-----
At 30 September 1995	37390	20661	26081	84132
	-----	-----	-----	-----
Depreciation				
At 1 October 1994	9030	6093	8633	23756
Charge for the year	7340	1376	3730	12446
	-----	-----	-----	-----
At 30 September 1995	16370	7469	12363	36202
	-----	-----	-----	-----
Net book values				
At 30 September 1995	<u>21020</u>	<u>13192</u>	<u>13718</u>	<u>47930</u>
	-----	-----	-----	-----
At 30 September 1994	<u>28360</u>	<u>13443</u>	<u>9966</u>	<u>51769</u>
	-----	-----	-----	-----

Included above are assets held under finance leases or hire purchase contracts amounting to £21020 (1994 - £28360)

8. DEBTORS

	1995	1994
	£	£
Trade debtors	72903	91705
Other debtors	3428	3428
Prepayments and accrued income	2909	965
Corporation tax	5791	-
	-----	-----
	<u>85031</u>	<u>96098</u>
	-----	-----

9. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1995	1994
	£	£
Bank overdraft	-	10112
Trade creditors	132131	71099
Other creditors	41702	43651
Accruals and deferred income	7563	3430
Deferred taxation	2447	-
	-----	-----
	<u>183843</u>	<u>128292</u>
	-----	-----

Included in other creditors is an amount of £7022 (1994 £11025) relating to other taxes and Social Security.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

10. <u>CREDITORS: AMOUNTS FALLING DUE</u>		
<u>AFTER MORE THAN ONE YEAR</u>	1995	1994
	£	£
Net obligations under finance leases and hire purchase contracts	5038	14207
	_____	_____
	<u>5038</u>	<u>14207</u>
11. <u>SHARE CAPITAL</u>	1995	1994
	£	£
Authorised equity		
1000 Ordinary shares of £1 each	1000	1000
	_____	_____
Allotted, called up and fully paid equity		
1000 Ordinary shares of £1 each	1000	1000
	_____	_____
12. <u>RECONCILIATION OF MOVEMENTS IN</u>		
<u>SHAREHOLDERS' FUNDS</u>	1995	1994
	£	£
(Loss)/profit for the year	(50932)	29842
Opening shareholders' funds	12773	(17069)
	_____	_____
	<u>(38159)</u>	<u>12773</u>
13. <u>TRANSACTIONS WITH DIRECTORS</u>		
	Amount Outstanding	Maximum in
	1995	1994
		year
	£	£
R.J. Patterson	3428	3428
	_____	_____
	<u>3428</u>	<u>3428</u>

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

14. NET LIABILITIES

At 30 September 1995 the liabilities of the Company exceeded the assets by £38159. As a result of this the Company has implemented a programme of staff cut backs and overhead reductions which they believe will lead to a position of solvency being restored.

15. PRIOR YEAR ADJUSTMENT

The Financial Statements for 1995 have been restated to correct an error in the posting of fee income made in 1994. The effect of the restatement was to decrease profit for the 1995 financial year by £12000. The opening balance of retained profit for 1995 has been adjusted for the effects of the restatement on prior years.

	<u>1995</u>
	£
Beginning of the year as previously stated	11773
Prior year adjustment	(12000)
	———
Beginning of the year as restated	(227)
Retained loss for the year	(38932)
	———
End of year	<u>(39159)</u>

16. POST BALANCE SHEET EVENTS

From 1 June 1996 the business of Box Insurance Services, acquired 1 January 1995, was disposed of to Mr D. Box whose appointment as consultant to the Company had been terminated.